FISCAL MANAGEMENT

Deferred Compensation

Overview

Prince William County School Board employees working less than 12 months in each fiscal or school year but receiving salary or base contract pay over a 12-month period receive “deferred compensation” since some earnings in one calendar year are received in a subsequent calendar year. In accordance with Internal Revenue Service regulations under section 409A of the Internal Revenue Code, it is necessary to clarify and state the School Board’s payment periods policy.

Pay Periods for Annualized Pay

The School Board’s payment period policy in regard to employees’ base contract pay does not allow or offer employee elections for the period of time over which such base payments shall be made. All less than 12-month employees, except Bus Drivers, Bus Attendants, and Food Service (non-management) workers, are required to be paid over 12 months. Options to be paid over less than 12 months are not available to any employee. Bus Drivers, Bus Attendants, and Food Service (non-management) workers employed during the school year are required to be paid over 10 months only. All temporary and substitute employees are paid on a semi-monthly basis as worked.

All employees are paid on a semi-monthly pay cycle. Pay dates are the last administrative work day each month for 250-day employees on or before the 15th, and on or before the last day of the month.

In the event of a separation from service or an approved leave of absence before the end of the 12-month payment period, an employee shall be entitled to an additional payment for any and all amounts earned from the beginning of the 12-month pay period until the date of separation from service, but which has not yet been paid. These additional earnings shall be paid in a lump sum on the employee’s final paycheck. Final payment shall be scheduled on the first available pay cycle after the personnel action is processed.

The Associate Superintendent for Finance and Support Services (or designee) is responsible for implementing and monitoring this regulation.

The Associate Superintendent for Finance and Support Services (or designee) is responsible for reviewing this regulation in 2016.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS